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The collection of this information is necessary for the Department to determine which projects will best benefit from flexible subsidy loans in order to improve financial soundness, improve management and maintain affordability. In addition, this information provides the Department with a means to account for, on a project specific basis, the use of flexible subsidy dollars and the progress being made by each project toward its physical,financial and management improvement goals. The Department will use this information from this collection to determine if a project will benefit from flexible subsidy loans. This information is authorized under Section 201 of the Housing and Community Development Amendments of 1978 and 24 CFR Part 219. This information is considered non-sensitive and no assurance of confidentiality is provided.

This is an application for Flexible Subsidy under the: (Check only one box)

☐ Operating Assistance Program

☐ Capital Improvement Loan Program

Project Name :

Project Number :

Based Upon the HUD Review Dated (mm/dd/yy) :

Physical :

Occupancy :

Limited Mgmt.:

Comprehensive Mgmt.:

Other (specify) :

☐ This is an Original

☐ This is Revision No.

Dated :

Period Covered :

Thru

Flexible Subsidy Log No:

Action No. Circle the action items eligible for Flexible Subsidy Funding.	HUD Review Ref. No.	Description of Action Items	Total Funds	Quarterly Allocation of MIO Funds				Transfer Activity Thru , 19				Completion	
				1st	2nd	3rd	4th	Amount Requested This Month (a)	Amount Transferred			Est. Date	Actual Date
									This Month (b)	Total For Qtr. (c)	Total For Contract Term		

Instructions for Part II of Management Improvement Operating (MIO) Plan

Part II of the MIO Plan has been designed to: (1) formalize HUD and the Owner's agreement as to what actions will be undertaken to restore or maintain the financial and physical soundness of the project; (2) facilitate Owner's Requisition for Advance of Funds; and (3) monitor Housing Owner's progress in implementing the required improvements. Part II of the MIO consists of three sections:

Section A. Action Items, form HUD-9835

Section B. Management Objectives, form HUD-9835-A

Section C. Sources and Uses of Funds, form HUD-9835-B

The Plan should provide actions to eliminate any operational or physical deficiencies noted on HUD's comprehensive management reviews, occupancy reviews, physical inspections or HUD's review of monthly or annual accounting reports.

The Housing Owner should submit an original and one copy to HUD and retain a copy. **A sample MIO Plan is shown in Appendix 8 of the Flexible Subsidy Handbook, 4355.1.**

Headings. Enter dates of HUD reviews/reports on which the need for these work items was discussed. Number pages sequentially through Sections A, B and C. Original date is the date HUD approves the Owner's submission; revision dates are dates HUD approves a revision to Part II of the MIO Plan. If an action item is related to a deficiency noted on a HUD review, indicate the type of review and finding or item number. Use the following codes:

M = Management	P = Physical	O = Occupancy	F = Financial
Review	Inspection	Review	Review

Operating Assistance Program

Section A. Action Items (form 9835)

- Under description of action item include: 1) all work items which will be undertaken to correct physical deficiencies; 2) all cash payments which will be made to reduce mortgage delinquencies or accounts payable or to fund replacement reserve or monthly operating deficits; and 3) any actions needed to implement the energy efficiency plan required under flexible subsidy.
 - Group tasks according to sub-categories listed in Section C. Tasks must be highly visible items which can be easily monitored. Include only work which can be completed during the next 12 months.
 - Action item numbers should begin with the HUD fiscal year in which the task is funded and should then be numbered sequentially, continuing through all work categories. Example: 92-1, 92-2, 92-3, etc. **Circle Action Number of tasks which are eligible for Flexible Subsidy Funding.**
- For repair items that will be paid out of the Project Improvement Account, estimate the **total** amount to be expended on each action item over the **next 12 months**. Estimates should reflect economies to be generated by bulk purchasing, cost comparisons, bids, etc. Formal bids must be obtained for any action item which HUD or the Owner estimates will exceed \$5,000.
- Considering priority of needs, weather conditions and the time required for each task, estimate the date by which each action item will be completed and allocate total funds among the four quarters. Top priority should be given to interior repairs which are necessary to make the units decent,m safe and sanitary. For any action item, the sum of the quarterly entries must equal the total MIO funds allocated for that item. The financial Assistance Contract provides that **replacement reserve and working capital funds may only be released in the fourth quarter.**
- Attach Schedule of Accounts Payable** to be paid out of the Project Improvement Account. Group and subtotal by quarter.
- Transfer Activity Section should be left blank when preparing this for initial submission to HUD. This section will be used to request transfers of funds from the Project Improvement Account.
- When action item has been completed, enter date completed and total amount transferred from the Project Improvement Account for that action item.**

Capital Improvement Loan Program

Section A. Action Items (form HUD-9835)

Where the Department determines that is not necessary to prepare a MIO Plan because (1) the project owner is not in default under the mortgage; (2) the project owner is not in violation of the Regulatory Agreement; (3) the project owner has not received an unsatisfactory or marginally satisfactory management review in the past 24 months, or has corrected the problem in a manner satisfactory to HUD: and (4) HUD Headquarters has not determined that a MIO Plan must be submitted, HUD-9835 will only be completed to reflect the items to be replaced and the target dates for completion.

The Department estimates that only five percent of the applicants in the Capital Improvement Loan Program will be required to complete a full MIO Plan. In such instance, HUD-9835 shall be completed in its entirety following the instructions above.